



VCU College of Humanities and Sciences

Testimony of Dr. Tressie McMillan Cottom to the U.S. Senate Committee on Health, Education, Labor, and Pensions

April 10, 2019

Thank you for the opportunity to address you today. Demand for fast, flexible credentials like those for-profit colleges specialize in is really about millions of people who, despite doing everything right, cannot find dignified work that affords them housing, the means to educate their children and the ability to care for their aging parents. Because their economic anxiety is so great, the students I worked with and research will shoulder almost any cost, in dollars and opportunity, for a chance at better quality work.

I have worked at two different for-profit colleges. I enrolled hundreds of students. I was very good at my job, in part because so many of these colleges' ideal students looks like me. They were not there to see me about a cosmetology license or a master's degree in IT because we offered the best programs. They were there because they did not have or could not afford childcare. They were there because after years in the service, employers wanted a credential instead of work experience. They were there because working a job with inconsistent schedules made them feel poor in a society that scapegoats poor people. The urgent "pain funnel" approach at for-profit colleges works because, for some of us, becoming a student is a one-way ticket out of low expectations, poverty, and social exclusion. Ideally, we would regulate the pain funnel and promote social policy that ends the pain it funnels.

When I asked my research respondents to explain, in their own words, how they feel about their for-profit colleges, they tell me time and time again that if their schools were so bad, "the government would not pay for it". Student loans have become a measure of institutional quality. For a sector that absorbs so much student loan money, for-profit college students are vulnerable to thinking high-cost IS high quality. Regulation needs tools for institutional differentiation if the regulation is to matter at all to quality and student outcomes.

Three such protections of note are part of Senators Hassan and Durbin's PROTECT Students Act that would better clarify the definitions of "nonprofit" and "public" institutions, for the federal government to have a robust review process when for-profit colleges attempt to convert to nonprofit or public colleges, and to strengthen and expand the incentive compensation ban. Nonprofit colleges have a strict statutory requirement whereby "no part of net earnings [may] inure to the benefit of any private shareholder or individual," they must be organized exclusively for charitable purposes, and any surpluses must be reinvested back into the institution and students. The difference matters.

This kind of transparency about differentiation is especially crucial for students who do not have cultural resources for successful college-going. Data show that many students do not know they attend a for-profit college and whether we think it should matter, the labor market treats them differently because they have. Our accountability triad must adopt clear definitions of difference because those differences have already impacted millions of students. Each actor of that triad must also recognize and respond to

new forms of for-profit colleges, including those convert to non-profits while contracting with the for-profit college as a provider of academic and recruiting services and for-profits that join in revenue share agreements with not-for-profits. Without strict regulation, these new forms of for-profit institutions and partnerships can denigrate the integrity of higher education.

Finally, when their institution fails them – whether by misrepresenting the legality of their degree program or when fiduciary mismanagement puts them out of business – the students I interview do not blame their for-profit college. These students blame the very idea of higher education. For millions of people, a for-profit college is now their ONLY experience of any college. If college becomes conflated with a “scam” in the minds of our most vulnerable students, it will be difficult to re-orient them to future education or training.